

AGRICULTURAL TRENDS AND THEIR RELATION TO THE FARM LABOR SITUATION

by

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The farm labor situation and what to do about it are greatly affected by agricultural trends, whether long range or otherwise.

Trend of Population

Our Nation was once largely agricultural with 90 percent or more of its people living on the land. With industrialization and development of large cities, our country has gradually become largely non-agricultural with only approximately 20 percent of its people living on farms.

Therefore, since farmers are now greatly outnumbered, all agricultural programs, including the farm labor program, must be sound and in the public interest if they are to merit public support.

Population Movements

Agriculture has been traditionally known as an industry of surplus. Its surplus of crops was once shipped overseas in payment of interest on investments of foreigners who financed our industrial development. These surpluses plagued the Nation for many years after its status had changed to that of creditor Nation.

But there has been another agricultural surplus too--of people. Farm population more than reproduces itself and the surplus moves to the cities to replenish and invigorate an urban population that does not reproduce itself. The trend of movement is toward the cities in good times and back to the land during depressions.

Population experts tell us that since 1920 there has been a steady year-by-year trend of farm population into the cities with the exception of the depression years. That movement was, of course, very much accelerated during the war years.

In 1946 the trend was reversed. Contrary to what usually happens in a prosperous year, the movement was back to the land in the year of greatest peacetime prosperity ever known.

Since 1940 the loss to the cities of farm labor was nearly a quarter of a million per year. Yet the trend back to the land in 1946 made up in one year 40 percent of that 6-year loss of farm labor.

The reasons for the trend reversal were unusual. Some G.I.'s came back to farms although not in the same numbers as left the farms. Great numbers of former farm workers returned to the country because of a housing shortage in the cities. They were seeking homes, not necessarily jobs. The question now is,

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where do we go from here? The G.I.'s have largely returned and the housing situation in the cities is improving. The answer, it seems to me, is largely in the form of the question, how attractive is the farm job and not only from the monetary standpoint?

Attractiveness of the Farm Job

Wages.—The wages of farm labor are the highest in history. Since the war started they have trebled. They have been influenced by higher prices, rising cost of living, and competition from greater and better paid nonfarm job opportunities.

Farm wage rates are going to continue high if indeed they do not go higher. Probably they should be high. Labor may be worth more if it produces more.

Productivity.—We are in the greatest revolution of all time—a perfectly bloodless revolution that has put us into a mechanical age. It began nearly a hundred years ago. Since about 1860 the productivity of the American worker increased at an annual rate of about 3 percent per year. In more recent years that rate accelerated. That was an era of great expansion of the standard of living in America. Increased productivity and increased wages were accompanied by mixed price trends. For many years prices were falling which added to the workers' advantage. At about the turn of the century the price level began to rise which was to the farmers' advantage. But for the period between the two World Wars the price level did not continue to rise, in fact it fell, which did the farmer no good.

During the war, productivity of farm workers increased about 40 percent. That higher output per person justifies a higher wage per worker. Higher prices for farm products enabled the farmer to pay the higher wage which in fact he had to pay to hold his workers or to attract others.

Because of higher productivity of the workers, the labor cost per unit of product has not increased at the same percentage as the actual wage increase. Labor cost per unit has doubled; prices of farm products have doubled; other costs have not increased to the same degree as did labor costs. Therefore, the farmer has still fared well in spite of paying higher wages.

But we must consider very carefully what are the probable conditions from now on.

Prospective Labor Supply, Costs and Adjustments

For 1947 and the years ahead, we are undoubtedly going to have only moderate farm labor supplies in most areas. We are in an era of full employment in industry which we hope is going to continue because it provides a market for the farmer. But it also means competition for labor which foretells labor shortage for farmers.

At the same time we can foresee lower prices for farm products. The trend is already lower. As industrial goods become available, consumer purchasing power, which bid up food prices for lack of goods to buy, is being directed into other channels.

The real problem is not that prices go down somewhat but to keep them from going too low. Because the farmer is caught in a squeeze between falling prices for his products and costs which remain high. Wages are "sticky" as the economists say. They lag on the downside as prices rise. They lag on the upside as prices fall. And they make up a most important part of costs.

We must have a double objective--first, to attract desirable workers to farms and hold them there and, secondly, to convert high wage rates into lower costs per unit of product. There are at least two general areas where I see that can be done.

First, farmers must make more efficient use of their labor. This will come through improvement in yields, use of labor-saving machinery and devices of all kinds and improved work methods. Farm workers must be made more productive to earn their wage and to take the farmer out of the squeeze between falling prices and lagging high costs.

Secondly, we have to make the farm job more appealing. Better housing, better living conditions, better health and medical care, better labor relations will all help. Something more is needed, too. We must help remove the stigma from the farm job which should not be classified at the lower end of the scale. We must emphasize the joy of country living and not the drudgery of farm work. The role of farm worker must be dignified as a profession and as a stepping stone to farm ownership.

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7 There is a third objective in working with farmers in this whole field of improving productivity of farm workers. We must take into consideration that about half the farms especially in the East and in the South are too small. The average size of farm has increased in the past 25 years by 50 acres. It is 25 acres larger than 5 years ago. Most of the increase has come in the larger farms. Some has come in the family-size farm group of 100 to 250 acres in size. The least has come in the 10 to 100 acre class which is usually the least efficient and the most difficult to mechanize. Care must be taken lest they over mechanize. Savings from machinery must be carefully balanced against added costs.

Economic Conditions

Another trend and perhaps the most tricky trend to discuss is the trend in economic conditions. Most farmers have painful memories of the price crash after World War I. They know their farm plant is geared to a production level far beyond the previously normal needs of peacetime and they are fearful.

However, who is there that can say what is normal? Each era sets its own normal. There are elements in the present picture that were not true in the post World War I era. This is an era of price supports and of full employment, an era in which the National income more than doubles that of any previous peacetime year, in fact more than doubles the income that people dreamed was possible. National policy and agricultural policy need to be directed toward continuing full employment in industry and a high level of industrial purchasing power. In a continuation of that market lies the hope of the farmer. There is some consolation, too, in the previously mentioned downward trend in farm population, numerically as well as percentage wise. An expanding urban population means an expanding

market for farm products. Meanwhile, too, international efforts are being directed toward a world-wide increase in food consumption. The recently enacted Hope-Flannigan Bill with the impetus that must surely come in improvement in marketing and distribution adds additional hope.

Meanwhile, for the year ahead, the tricky situation should be closely watched. Some individual products may be in great distress. Nothing can be so sad for farm labor personnel as to have a large number of workers recruited to harvest a particular crop and have the bottom drop out of the price!

Cost of Government

One final trend, I believe, is exceedingly significant--trend in cost of Government.

In one of the popular magazines there recently appeared an article entitled, "How Much Is Forty Billion Dollars?" It is more than the entire cost to the Nation of World War I, more than the entire National income in the depression years, more than the peacetime increase in National debt during the Roosevelt Administration, less than the cost of Government in the year 1946.

In the WASHINGTON EVENING STAR recently there appeared a cartoon showing several Congressmen standing before a table. Inverted on the table was a small hat labelled "Revenues." One Congressman was holding by the ears an exceedingly large rabbit labelled "Expenditures." "Your problem, Congressman," remarked one member of the group, "is to get the rabbit back into the hat." There certainly is a strong trend toward achieving economy in Government. That trend has an important significance to the Emergency Farm Labor Program.

Objectives of Farm Labor Program

There is a stir in Washington now in the development of a proposed long-range farm labor program. Both in the development of such a program and in the operation of a 1947 program recognition must be made of the high cost of Government and the need for economy. All excess costs must be ruthlessly eliminated. Most of the expense of a long-range program should be local expense. National and State functions should be largely those of fact finding, of education and guidance, and of interstate coordination. Proper local functions and those of the growers include recruitment, transportation, housing, possibly even placement, and certainly policing..

If we can subscribe to that philosophy, it seems to me that our job in 1947 is not only to get the farm labor job done that needs to be done and which we are all going to do together, but also to set the stage in a far greater way than we have been doing for the long-range farm labor program.

Our growers are willing to bear the costs and I think they are about ready for it. By June 30 of 1947 the former Farm Security camps must be liquidated according to Federal law unless the time should be extended by new legislation. They should be liquidated, when the time comes, by being placed in the hands of local organized groups of growers both as to ownership and operation.

I believe that our growers have learned by their wartime experiences to cooperate. In many States there have been organized farm labor associations which from our experience in Maryland we can certainly commend to any State.

I think the local farmers are able to do their own thinking on these matters. We don't have to do their thinking for them. Perhaps they need only a little guidance.

The keynote in dealing with agricultural trends and the farm labor situation should be cooperation. Let all of us who have any part in the farm labor program set the example and really pull together.

